

107TH CONGRESS
1ST SESSION

H. R. 2603

To implement the agreement establishing a United States-Jordan free trade area.

IN THE HOUSE OF REPRESENTATIVES

JULY 24, 2001

Mr. THOMAS introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To implement the agreement establishing a United States-Jordan free trade area.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “United States-Jordan
5 Free Trade Area Implementation Act”.

6 **SEC. 2. PURPOSES.**

7 The purposes of this Act are—

1 (1) to implement the agreement between the
 2 United States and Jordan establishing a free trade
 3 area;

4 (2) to strengthen and develop the economic re-
 5 lations between the United States and Jordan for
 6 their mutual benefit; and

7 (3) to establish free trade between the 2 nations
 8 through the removal of trade barriers.

9 **SEC. 3. DEFINITIONS.**

10 For purposes of this Act:

11 (1) AGREEMENT.—The term “Agreement”
 12 means the Agreement between the United States of
 13 America and the Hashemite Kingdom of Jordan on
 14 the Establishment of a Free Trade Area, entered
 15 into on October 24, 2000.

16 (2) HTS.—The term “HTS” means the Har-
 17 monized Tariff Schedule of the United States.

18 **TITLE I—TARIFF MODIFICA-**
 19 **TIONS; RULES OF ORIGIN**

20 **SEC. 101. TARIFF MODIFICATIONS.**

21 (a) TARIFF MODIFICATIONS PROVIDED FOR IN THE
 22 AGREEMENT.—The President may proclaim—

23 (1) such modifications or continuation of any
 24 duty,

1 (2) such continuation of duty-free or excise
2 treatment, or

3 (3) such additional duties,
4 as the President determines to be necessary or appropriate
5 to carry out article 2.1 of the Agreement and the schedule
6 of duty reductions with respect to Jordan set out in Annex
7 2.1 of the Agreement.

8 (b) OTHER TARIFF MODIFICATIONS.—The President
9 may proclaim—

10 (1) such modifications or continuation of any
11 duty,

12 (2) such continuation of duty-free or excise
13 treatment, or

14 (3) such additional duties,
15 as the President determines to be necessary or appropriate
16 to maintain the general level of reciprocal and mutually
17 advantageous concessions with respect to Jordan provided
18 for by the Agreement.

19 **SEC. 102. RULES OF ORIGIN.**

20 (a) IN GENERAL.—

21 (1) ELIGIBLE ARTICLES.—

22 (A) IN GENERAL.—The reduction or elimi-
23 nation of any duty imposed on any article by
24 the United States provided for in the Agree-
25 ment shall apply only if—

1 (i) that article is imported directly
2 from Jordan into the customs territory of
3 the United States; and

4 (ii) that article—

5 (I) is wholly the growth, product,
6 or manufacture of Jordan; or

7 (II) is a new or different article
8 of commerce that has been grown,
9 produced, or manufactured in Jordan
10 and meets the requirements of sub-
11 paragraph (B).

12 (B) REQUIREMENTS.—

13 (i) GENERAL RULE.—The require-
14 ments of this subparagraph are that with
15 respect to an article described in subpara-
16 graph (A)(ii)(II), the sum of—

17 (I) the cost or value of the mate-
18 rials produced in Jordan, plus

19 (II) the direct costs of processing
20 operations performed in Jordan,
21 is not less than 35 percent of the ap-
22 praised value of such article at the time it
23 is entered.

24 (ii) MATERIALS PRODUCED IN UNITED
25 STATES.—If the cost or value of materials

1 produced in the customs territory of the
2 United States is included with respect to
3 an article to which this paragraph applies,
4 an amount not to exceed 15 percent of the
5 appraised value of the article at the time
6 it is entered that is attributable to such
7 United States cost or value may be applied
8 toward determining the percentage re-
9 ferred to in clause (i).

10 (2) EXCLUSIONS.—No article may be consid-
11 ered to meet the requirements of paragraph (1)(A)
12 by virtue of having merely undergone—

13 (A) simple combining or packaging oper-
14 ations; or

15 (B) mere dilution with water or mere dilu-
16 tion with another substance that does not mate-
17 rially alter the characteristics of the article.

18 (b) DIRECT COSTS OF PROCESSING OPERATIONS.—

19 (1) IN GENERAL.—As used in this section, the
20 term “direct costs of processing operations” in-
21 cludes, but is not limited to—

22 (A) all actual labor costs involved in the
23 growth, production, manufacture, or assembly
24 of the specific merchandise, including fringe
25 benefits, on-the-job training, and the cost of en-

gineering, supervisory, quality control, and similar personnel; and

(B) dies, molds, tooling, and depreciation on machinery and equipment which are allocable to the specific merchandise.

(2) EXCLUDED COSTS.—The term “direct costs of processing operations” does not include costs which are not directly attributable to the merchandise concerned, or are not costs of manufacturing the product, such as—

(A) profit; and

(B) general expenses of doing business which are either not allocable to the specific merchandise or are not related to the growth, production, manufacture, or assembly of the merchandise, such as administrative salaries, casualty and liability insurance, advertising, and salesmen’s salaries, commissions, or expenses.

(c) TEXTILE AND APPAREL ARTICLES.—

(1) IN GENERAL.—A textile or apparel article imported directly from Jordan into the customs territory of the United States shall be considered to meet the requirements of paragraph (1)(A) of subsection (a) only if—

1 (A) the article is wholly obtained or pro-
2 duced in Jordan;

3 (B) the article is a yarn, thread, twine,
4 cordage, rope, cable, or braiding, and—

5 (i) the constituent staple fibers are
6 spun in Jordan, or

7 (ii) the continuous filament is ex-
8 truded in Jordan;

9 (C) the article is a fabric, including a fab-
10 ric classified under chapter 59 of the HTS, and
11 the constituent fibers, filaments, or yarns are
12 woven, knitted, needled, tufted, felted, entan-
13 gled, or transformed by any other fabric-making
14 process in Jordan; or

15 (D) the article is any other textile or ap-
16 parel article that is wholly assembled in Jordan
17 from its component pieces.

18 (2) DEFINITION.—For purposes of paragraph
19 (1), an article is “wholly obtained or produced in
20 Jordan” if it is wholly the growth, product, or man-
21 ufacture of Jordan.

22 (3) SPECIAL RULES.—(A) Notwithstanding
23 paragraph (1)(D) and except as provided in sub-
24 paragraphs (C) and (D) of this paragraph, subpara-
25 graph (A), (B), or (C) of paragraph (1), as appro-

1 appropriate, shall determine whether a good that is classi-
2 fied under one of the following headings or sub-
3 headings of the HTS shall be considered to meet the
4 requirements of paragraph (1)(A) of subsection (a):
5 5609, 5807, 5811, 6209.20.50.40, 6213, 6214,
6 6301, 6302, 6304, 6305, 6306, 6307.10, 6307.90,
7 6308, and 9404.90.

8 (B) Notwithstanding paragraph (1)(D) and ex-
9 cept as provided in subparagraphs (C) and (D) of
10 this paragraph, a textile or apparel article which is
11 knit-to-shape in Jordan shall be considered to meet
12 the requirements of paragraph (1)(A) of subsection
13 (a).

14 (C) Notwithstanding paragraph (1)(D), a good
15 classified under heading 6117.10, 6213.00, 6214.00,
16 6302.22, 6302.29, 6302.52, 6302.53, 6302.59,
17 6302.92, 6302.93, 6302.99, 6303.92, 6303.99,
18 6304.19, 6304.93, 6304.99, 9404.90.85, or
19 9404.90.95 of the HTS, except for a good classified
20 under any such heading as of cotton or of wool or
21 consisting of fiber blends containing 16 percent or
22 more by weight of cotton, shall be considered to
23 meet the requirements of paragraph (1)(A) of sub-
24 section (a) if the fabric in the good is both dyed and
25 printed in Jordan, and such dyeing and printing is

1 accompanied by 2 or more of the following finishing
2 operations: bleaching, shrinking, fulling, napping,
3 decating, permanent stiffening, weighting, perma-
4 nent embossing, or moireing.

5 (D) Notwithstanding paragraph (1)(C), a fabric
6 classified under the HTS as of silk, cotton, man-
7 made fiber, or vegetable fiber shall be considered to
8 meet the requirements of paragraph (1)(A) of sub-
9 section (a) if the fabric is both dyed and printed in
10 Jordan, and such dyeing and printing is accom-
11 panied by 2 or more of the following finishing oper-
12 ations: bleaching, shrinking, fulling, napping,
13 decating, permanent stiffening, weighting, perma-
14 nent embossing, or moireing.

15 (4) MULTICOUNTRY RULE.—If the origin of a
16 textile or apparel article cannot be determined under
17 paragraph (1) or (3), then that article shall be con-
18 sidered to meet the requirements of paragraph
19 (1)(A) of subsection (a) if—

20 (A) the most important assembly or manu-
21 facturing process occurs in Jordan; or

22 (B) if the applicability of paragraph (1)(A)
23 of subsection (a) cannot be determined under
24 subparagraph (A), the last important assembly
25 or manufacturing occurs in Jordan.

1 (d) EXCLUSION.—A good shall not be considered to
 2 meet the requirements of paragraph (1)(A) of subsection
 3 (a) if the good—

4 (1) is imported into Jordan, and, at the time of
 5 importation, would be classified under heading 0805
 6 of the HTS; and

7 (2) is processed in Jordan into a good classified
 8 under any of subheadings 2009.11 through 2009.30
 9 of the HTS.

10 (e) REGULATIONS.—The Secretary of the Treasury,
 11 after consultation with the United States Trade Rep-
 12 resentative, shall prescribe such regulations as may be
 13 necessary to carry out this section.

14 **TITLE II—RELIEF FROM**
 15 **IMPORTS**
 16 **Subtitle A—General Provisions**

17 **SEC. 201. DEFINITIONS.**

18 As used in this title:

19 (1) COMMISSION.—The term “Commission”
 20 means the United States International Trade Com-
 21 mission.

22 (2) JORDANIAN ARTICLE.—The term “Jor-
 23 danian article” means an article that qualifies for
 24 reduction or elimination of a duty under section 102.

1 **Subtitle B—Relief From Imports**
2 **Benefiting From the Agreement**

3 **SEC. 211. COMMENCING OF ACTION FOR RELIEF.**

4 (a) FILING OF PETITION.—

5 (1) IN GENERAL.—A petition requesting action
6 under this subtitle for the purpose of adjusting to
7 the obligations of the United States under the
8 Agreement may be filed with the Commission by an
9 entity, including a trade association, firm, certified
10 or recognized union, or group of workers that is rep-
11 resentative of an industry. The Commission shall
12 transmit a copy of any petition filed under this sub-
13 section to the United States Trade Representative.

14 (2) PROVISIONAL RELIEF.—An entity filing a
15 petition under this subsection may request that pro-
16 visional relief be provided as if the petition had been
17 filed under section 202(a) of the Trade Act of 1974.

18 (3) CRITICAL CIRCUMSTANCES.—Any allegation
19 that critical circumstances exist shall be included in
20 the petition.

21 (b) INVESTIGATION AND DETERMINATION.—

22 (1) IN GENERAL.—Upon the filing of a petition
23 under subsection (a), the Commission, unless sub-
24 section (d) applies, shall promptly initiate an inves-
25 tigation to determine whether, as a result of the re-

duction or elimination of a duty provided for under the Agreement, a Jordanian article is being imported into the United States in such increased quantities, in absolute terms or relative to domestic production, and under such conditions that imports of the Jordanian article alone constitute a substantial cause of serious injury or threat thereof to the domestic industry producing an article that is like, or directly competitive with, the imported article.

(2) CAUSATION.—For purposes of this subtitle, a Jordanian article is being imported into the United States in increased quantities as a result of the reduction or elimination of a duty provided for under the Agreement if the reduction or elimination is a cause that contributes significantly to the increase in imports. Such cause need not be equal to or greater than any other cause.

(c) APPLICABLE PROVISIONS.—The following provisions of section 202 of the Trade Act of 1974 (19 U.S.C. 2252) apply with respect to any investigation initiated under subsection (b):

(1) Paragraphs (1)(B) and (3) of subsection (b).

(2) Subsection (c).

(3) Subsection (d).

1 (d) ARTICLES EXEMPT FROM INVESTIGATION.—No
2 investigation may be initiated under this section with re-
3 spect to any Jordanian article if import relief has been
4 provided under this subtitle with respect to that article.

5 **SEC. 212. COMMISSION ACTION ON PETITION.**

6 (a) DETERMINATION.—By no later than 120 days
7 (180 days if critical circumstances have been alleged) after
8 the date on which an investigation is initiated under sec-
9 tion 211(b) with respect to a petition, the Commission
10 shall make the determination required under that section.

11 (b) ADDITIONAL FINDING AND RECOMMENDATION IF
12 DETERMINATION AFFIRMATIVE.—If the determination
13 made by the Commission under subsection (a) with respect
14 to imports of an article is affirmative, the Commission
15 shall find, and recommend to the President in the report
16 required under subsection (c), the amount of import relief
17 that is necessary to remedy or prevent the injury found
18 by the Commission in the determination and to facilitate
19 the efforts of the domestic industry to make a positive ad-
20 justment to import competition. The import relief rec-
21 ommended by the Commission under this subsection shall
22 be limited to that described in section 213(c).

23 (c) REPORT TO PRESIDENT.—No later than the date
24 that is 30 days after the date on which a determination
25 is made under subsection (a) with respect to an investiga-

1 tion, the Commission shall submit to the President a re-
2 port that shall include—

3 (1) a statement of the basis for the determina-
4 tion;

5 (2) dissenting and separate views; and

6 (3) any finding made under subsection (b) re-
7 garding import relief.

8 (d) PUBLIC NOTICE.—Upon submitting a report to
9 the President under subsection (c), the Commission shall
10 promptly make public such report (with the exception of
11 information which the Commission determines to be con-
12 fidential) and shall cause a summary thereof to be pub-
13 lished in the Federal Register.

14 (e) APPLICABLE PROVISIONS.—For purposes of this
15 subtitle, the provisions of paragraphs (1), (2), and (3) of
16 section 330(d) of the Tariff Act of 1930 (19 U.S.C.
17 1330(d)) shall be applied with respect to determinations
18 and findings made under this section as if such determina-
19 tions and findings were made under section 202 of the
20 Trade Act of 1974 (19 U.S.C. 2252).

21 **SEC. 213. PROVISION OF RELIEF.**

22 (a) IN GENERAL.—No later than the date that is 30
23 days after the date on which the President receives the
24 report of the Commission containing an affirmative deter-
25 mination of the Commission under section 212(a), the

1 President shall provide relief from imports of the article
2 that is the subject of such determination to the extent that
3 the President determines necessary to prevent or remedy
4 the injury found by the Commission and to facilitate the
5 efforts of the domestic industry to make a positive adjust-
6 ment to import competition, unless the President deter-
7 mines that the provision of such relief is not in the na-
8 tional economic interest of the United States or, in ex-
9 traordinary circumstances, that the provision of such relief
10 would cause serious harm to the national security of the
11 United States.

12 (b) NATIONAL ECONOMIC INTEREST.—The President
13 may determine under subsection (a) that providing import
14 relief is not in the national economic interest of the United
15 States only if the President finds that taking such action
16 would have an adverse impact on the United States econ-
17 omy clearly greater than the benefits of taking such ac-
18 tion.

19 (c) NATURE OF RELIEF.—The import relief (includ-
20 ing provisional relief) that the President is authorized to
21 provide under this subtitle with respect to imports of an
22 article is—

23 (1) the suspension of any further reduction pro-
24 vided for under the United States Schedule to Annex

1 2.1 of the Agreement in the duty imposed on that
2 article;

3 (2) an increase in the rate of duty imposed on
4 such article to a level that does not exceed the lesser
5 of—

6 (A) the column 1 general rate of duty im-
7 posed under the HTS on like articles at the
8 time the import relief is provided; or

9 (B) the column 1 general rate of duty im-
10 posed under the HTS on like articles on the
11 day before the date on which the Agreement en-
12 ters into force; or

13 (3) in the case of a duty applied on a seasonal
14 basis to that article, an increase in the rate of duty
15 imposed on the article to a level that does not exceed
16 the column 1 general rate of duty imposed under the
17 HTS on the article for the corresponding season oc-
18 curring immediately before the date on which the
19 Agreement enters into force.

20 (d) PERIOD OF RELIEF.—The import relief that the
21 President is authorized to provide under this section may
22 not exceed 4 years.

23 (e) RATE AFTER TERMINATION OF IMPORT RE-
24 LIEF.—When import relief under this subtitle is termi-
25 nated with respect to an article—

1 (1) the rate of duty on that article after such
2 termination and on or before December 31 of the
3 year in which termination occurs shall be the rate
4 that, according to the United States Schedule to
5 Annex 2.1 of the Agreement for the staged elimi-
6 nation of the tariff, would have been in effect 1 year
7 after the initiation of the import relief action under
8 section 211; and

9 (2) the tariff treatment for that article after
10 December 31 of the year in which termination oc-
11 curs shall be, at the discretion of the President,
12 either—

13 (A) the rate of duty conforming to the ap-
14 plicable rate set out in the United States
15 Schedule to Annex 2.1; or

16 (B) the rate of duty resulting from the
17 elimination of the tariff in equal annual stages
18 ending on the date set out in the United States
19 Schedule to Annex 2.1 for the elimination of
20 the tariff.

21 **SEC. 214. TERMINATION OF RELIEF AUTHORITY.**

22 (a) GENERAL RULE.—Except as provided in sub-
23 section (b), no import relief may be provided under this
24 subtitle after the date that is 15 years after the date on
25 which the Agreement enters into force.

1 (b) EXCEPTION.—Import relief may be provided
 2 under this subtitle in the case of a Jordanian article after
 3 the date on which such relief would, but for this sub-
 4 section, terminate under subsection (a), but only if the
 5 Government of Jordan consents to such provision.

6 **SEC. 215. COMPENSATION AUTHORITY.**

7 For purposes of section 123 of the Trade Act of 1974
 8 (19 U.S.C. 2133), any import relief provided by the Presi-
 9 dent under section 213 shall be treated as action taken
 10 under chapter 1 of title II of such Act.

11 **SEC. 216. SUBMISSION OF PETITIONS.**

12 A petition for import relief may be submitted to the
 13 Commission under—

14 (1) this subtitle;

15 (2) chapter 1 of title II of the Trade Act of
 16 1974; or

17 (3) under both this subtitle and such chapter 1
 18 at the same time, in which case the Commission
 19 shall consider such petitions jointly.

20 **Subtitle C—Cases Under Title II of**
 21 **the Trade Act of 1974**

22 **SEC. 221. FINDINGS AND ACTION ON JORDANIAN IMPORTS.**

23 (a) EFFECT OF IMPORTS.—If, in any investigation
 24 initiated under chapter 1 of title II of the Trade Act of
 25 1974, the Commission makes an affirmative determination

1 (or a determination which the President may treat as an
 2 affirmative determination under such chapter by reason
 3 of section 330(d) of the Tariff Act of 1930), the Commis-
 4 sion shall also find (and report to the President at the
 5 time such injury determination is submitted to the Presi-
 6 dent) whether imports of the article from Jordan are a
 7 substantial cause of serious injury or threat thereof.

8 (b) **PRESIDENTIAL ACTION REGARDING JORDANIAN**
 9 **IMPORTS.**—In determining the nature and extent of action
 10 to be taken under chapter 1 of title II of the Trade Act
 11 of 1974, the President shall determine whether imports
 12 from Jordan are a substantial cause of the serious injury
 13 found by the Commission and, if such determination is
 14 in the negative, may exclude from such action imports
 15 from Jordan.

16 **SEC. 222. TECHNICAL AMENDMENT.**

17 Section 202(a)(8) of the Trade Act of 1974 (19
 18 U.S.C. 2252(a)(8)) is amended in the first sentence—

19 (1) by striking “and part 1” and inserting “,
 20 part 1”; and

21 (2) by inserting before the period at the end “,
 22 and title II of the United States-Jordan Free Trade
 23 Area Implementation Act”.

1 **TITLE III—TEMPORARY ENTRY**

2 **SEC. 301. NONIMMIGRANT TRADERS AND INVESTORS.**

3 Upon the basis of reciprocity secured by the Agree-
4 ment, an alien who is a national of Jordan (and any
5 spouse or child (as defined in section 101(b)(1) of the Im-
6 migration and Nationality Act (8 U.S.C. 1101(b)(1)) of
7 the alien, if accompanying or following to join the alien)
8 shall be considered as entitled to enter the United States
9 under and in pursuance of the provisions of the Agreement
10 as a nonimmigrant described in section 101(a)(15)(E) of
11 the Immigration and Nationality Act (8 U.S.C.
12 1101(a)(15)(E)), if the entree is solely for a purpose de-
13 scribed in clause (i) or (ii) of such section and the alien
14 is otherwise admissible to the United States as such a non-
15 immigrant.

16 **TITLE IV—GENERAL** 17 **PROVISIONS**

18 **SEC. 401. RELATIONSHIP OF THE AGREEMENT TO UNITED** 19 **STATES AND STATE LAW.**

20 (a) RELATIONSHIP OF AGREEMENT TO UNITED
21 STATES LAW.—

22 (1) UNITED STATES LAW TO PREVAIL IN CON-
23 FLICT.—No provision of the Agreement, nor the ap-
24 plication of any such provision to any person or cir-

1 cumstance, that is inconsistent with any law of the
2 United States shall have effect.

3 (2) CONSTRUCTION.—Nothing in this Act shall
4 be construed—

5 (A) to amend or modify any law of the
6 United States, or

7 (B) to limit any authority conferred under
8 any law of the United States,
9 unless specifically provided for in this Act.

10 (b) RELATIONSHIP OF AGREEMENT TO STATE
11 LAW.—

12 (1) LEGAL CHALLENGE.—No State law, or the
13 application thereof, may be declared invalid as to
14 any person or circumstance on the ground that the
15 provision or application is inconsistent with the
16 Agreement, except in an action brought by the
17 United States for the purpose of declaring such law
18 or application invalid.

19 (2) DEFINITION OF STATE LAW.—For purposes
20 of this subsection, the term “State law” includes—

21 (A) any law of a political subdivision of a
22 State; and

23 (B) any State law regulating or taxing the
24 business of insurance.

1 (c) EFFECT OF AGREEMENT WITH RESPECT TO PRI-
2 VATE REMEDIES.—No person other than the United
3 States—

4 (1) shall have any cause of action or defense
5 under the Agreement; or

6 (2) may challenge, in any action brought under
7 any provision of law, any action or inaction by any
8 department, agency, or other instrumentality of the
9 United States, any State, or any political subdivision
10 of a State on the ground that such action or inaction
11 is inconsistent with the Agreement.

12 **SEC. 402. AUTHORIZATION OF APPROPRIATIONS.**

13 There are authorized to be appropriated for each fis-
14 cal year after fiscal year 2001 to the Department of Com-
15 merce not more than \$100,000 for the payment of the
16 United States share of the expenses incurred in dispute
17 settlement proceedings under article 17 of the Agreement.

18 **SEC. 403. IMPLEMENTING REGULATIONS.**

19 After the date of enactment of this Act—

20 (1) the President may proclaim such actions,
21 and

22 (2) other appropriate officers of the United
23 States may issue such regulations,

24 as may be necessary to ensure that any provision of this
25 Act, or amendment made by this Act, that takes effect

1 on the date the Agreement enters into force is appro-
2 priately implemented on such date, but no such proclama-
3 tion or regulation may have an effective date earlier than
4 the date the Agreement enters into force.

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